

REVISOR'S NOTE: This section presently appears as Art. 21, §10-301(a) of the Code and is set forth here for organizational purposes. In subsection (b), the present reference to "his heirs or assigns" is proposed for deletion in light of §1-103. The only other changes are in style.

10-302. BOND PAYABLE TO STATE; DEPOSIT; FORM OF BOND.

(A) BOND TO BE PAYABLE TO STATE; DEPOSIT.

THE BOND SHALL BE PAYABLE TO THE STATE FOR THE USE AND BENEFIT OF EVERY PERSON PROTECTED BY THE PROVISIONS OF THIS SUBTITLE. THE VENDOR OR PURCHASER SHALL DEPOSIT THE BOND WITH THE INSURANCE DIVISION.

(B) FORM OF SURETY BOND GENERALLY.

THE CORPORATE SURETY BOND OBTAINED PURSUANT TO THE PROVISIONS OF §10-301(A) SHALL BE IN A FORM APPROVED BY THE INSURANCE DIVISION. THE BOND MAY BE EITHER IN THE FORM OF AN INDIVIDUAL BOND FOR EACH DEPOSIT ACCEPTED BY A VENDOR OR BUILDER OR IF THE TOTAL AMOUNT OF MONEY AND DEPOSITS ACCEPTED BY THE BUILDER OR VENDOR EXCEEDS \$10,000, IT MAY BE IN THE FORM OF A BLANKET BOND ASSURING THE RETURN OF THE DEPOSITS RECEIVED BY THE VENDOR OR BUILDER.

(C) BOND PENALTY IN CASE OF BLANKET BOND.

IF THE BOND IS A BLANKET BOND, THE PENALTY OF THE BOND SHALL BE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

TOTAL AMOUNT OF DEPOSITS HELD	PENALTY OF BOND
(1) \$10,000 TO \$75,000	FULL AMOUNT OF DEPOSIT HELD
(2) \$75,000 TO \$200,000	\$75,000
(3) \$200,000 TO \$500,000	\$200,000
(4) OVER \$500,000	\$500,000

(D) DETERMINATION OF TOTAL AMOUNTS OF DEPOSIT.

FOR THE PURPOSE OF DETERMINING THE PENALTY OF ANY BLANKET BOND WHICH THE VENDOR OR BUILDER MAINTAINS IN ANY CALENDAR YEAR, THE TOTAL AMOUNT OF DEPOSITS CONSIDERED HELD BY A VENDOR OR BUILDER SHALL BE DETERMINED AS OF MAY 31 OF ANY GIVEN CALENDAR YEAR AND THE PENALTY OF THE BOND SHALL BE IN ACCORDANCE WITH THE AMOUNT OF DEPOSITS HELD AS OF MAY 31.